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AMERICAN MANAGEMENT REVIEW

November, 1924

THE MEMBERS' FORUM

The Management of Industrial Relations: A Major Social Problem

The modern science of management is just "common sense" organized around a scrupulous search for and analysis of "the facts." Manufacturing management is deeply concerned with human nature and the program of modern industrial relations—"To make goods plentiful and men dear." Such relations must ensure Peace, Pulling Together and Production if we are to have and to retain Prosperity. The workman will be reasonably Content if the following conditions obtain. That is all we have a right to expect, for America is the land of healthy discontent and we hope there is no cure for that.

1. The fear of loss of his job is removed and his service regarded as the sale of something more than a commodity.
2. The rule of arbitrary executives is prevented.
3. The opportunity to bargain as desired, individually or collectively, on matters affecting his interests is granted.
4. The right of any section of workmen to over-ride the desires of other sections is denied.
5. The pay has due relation to the standard of living actually practiced by the workman and his family.
6. Reasonable leisure is afforded by the conditions and hours of work of his employment.
7. Regard is paid to the unconvenanted but none the less real additions to his wages made through safety, thrift, vacations, health, education, recreation, etc., with the conditions at each plant duly considered.

The Contented workman will be Co-operative and not merely passively satisfied if the following are attained:

1. He is convinced that a real mutuality of interest exists between himself and his employer.

2. He is furnished with the facts of industry and kept informed of changes in these and is educated in the simple fundamentals of industrial issues instead of adopting the fallacies *apparently* supporting the claims which he makes or, more often, which are made ostensibly on his behalf and "wished on him."

3. All suspicion of his foreman's and employer's policies is removed by the frankness of their attitude and treatment of him.

4. Pay and any additional incentive appeal to him as fair and reasonable.

5. Provision is made for prompt and adequate communication of employees' opinions and desires on matters pertaining to their status and conditions. This should obtain in every single plant, regardless of the existence or absence of unionism.

6. The policy and traditions of the concern are such as to create a justifiable pride in his connection with it.

7. It is recognized that the American worker *reserves the right to make his own mistakes* and no attempt is made to dictate what he shall think or do in his own economic affairs. This implies the withdrawal of all paternalism, however genuine and well-motivated, from industrial relations and of all discrimination about outside affiliations.

Such Contentment and Co-operation will result in unusual Production and favorable costs if the following obtain:

1. The employer increasingly uses modern production systems, methods and their mechanical facilities, and takes pains to commend them to the interest of his work people and to educate them and their foremen about their value to employer and employee alike.

2. The employer raises the standard of the ordinary foremanship and multiplies himself through enlightened and energized supervisors keenly concerned about making men, as well as things, and devoted to efficient *leading* instead of *driving* of men.

3. The employee is gradually educated to abandon all narrow craft restrictions and petty lines of trade demarcations and to play for the big social result.

4. Large scale operation is attained without the loss of personality in industrial administration and the size of industrial units is restricted to secure this end.

5. The worker is abundantly satisfied that a desire for justice underlies all decisions and that nothing affecting his interest is ever *settled* by his employer until it is settled right.

It will be noted that no special stress is laid upon the various "Plant Services" which employers provide today, both under legal requirement and often in excess of it. These are featured very largely in the technical and

general press to the exclusion of things more on the worker's mind. They are just good practices: Safety, Health, Compensation, Thrift Inducements, etc., but they should never be regarded as things for which the employer may expect extra effort or consideration from the employee. It is bad psychology to feature these as implying employee obligation or as being a justifiable insurance against "trouble." They will be appreciated only when the worker's immediate personal interests are given proper consideration and the latter are often surprisingly simple compared with the sociologist's anticipations.

Industrial Relations should be organized for the people composing each plant primarily to get serious study of all of the conditions just stated and to obtain effective administration of any policies adopted in the premises.

This is "a real job" in the Twentieth Century, not something that a corporation officer, plant manager, superintendent or foreman can play with in amateurish fashion when "he feels like it" and neglect when so disposed—as so many do when they wrongly assume that a business recession, which affords ample leisure for it, has removed all urgency about industrial relations.

JOHN CALDER, *Consulting Engineer.*

Important Statistics on the Labor Situation

Statistics which show the trend of general business and industrial activity have become so numerous that it is a hopeless task for the average executive to note even a fair proportion of them. At the same time the real purpose of these condensed statistical facts is to permit one more readily to form accurate judgments concerning the subjects treated. This purpose is well served. So well served, in fact, that one expects that the use of such data will increase as time goes on. Out of this increasing volume of figures, from the outside world, which flows across the executive's desk, it is imperative that one make a judicious selection.

The executive in charge of labor relations finds this selection just as necessary in the field of labor statistics. Such an executive is interested in information concerning the trend of employment, payroll totals and average per capita earnings, throughout industry as a whole and within the general field of his particular industry. He is likewise interested in the schedule of operation within these industries and wishes to know the trend of wage changes. A knowledge of the rise and fall in the cost of living is also important. This type of information is essential if such an executive is to know the condition of the labor field and is to have data against which he may check the facts concerning his own working force.

Such information is available from several sources. That which is most

widely accessible and which at the same time covers the greatest number of workers is issued each month by the Bureau of Labor Statistics of the United States Department of Labor. The data given out by this Bureau are received from over 6000 manufacturing establishments in 52 large industries. The total force in these industries is about 2,500,000 with a weekly payroll at times exceeding \$75,000,000. While the figures are published in the Monthly Labor Review, they are also given out in a more timely publication—"Employment in Selected Industries." This pamphlet is issued the latter part of each month and contains information for the preceding month. Cost of living figures for the country as a whole and for the larger cities are issued quarterly in a separate publication.

The executive who tabulates these data for all industries and his particular industry back over a few years, and then keeps the tables up to date, will find he has a few series of labor statistics, which practically cover his needs. A few simple charts of these figures, added to monthly, will furnish an excellent picture of the current labor situation.

BRYCE HAYNES,
Industrial Relations Department,
U. S. Rubber Company.

Effective Management Through Leadership and Supervision

Profit sharing and stock purchase plans are efforts in the right direction in their endeavor to create an identity of interest between the employee and the work on which he is engaged. They are useful as attempts to modify or rather to develop our capitalistic system—to make the employee in a sense a capitalist.

But in becoming interested in these matters we should not allow ourselves to be diverted from other essential elements in our industrial life. I refer to such things as competent and tactful leadership and supervision on the part of all the executives in the plant, systematic employment, transfer, training and promotion methods, steady and continuous work, brought about by carefully regularized production—these are fundamental things. Then there are, of course, methods of consultation with the workers, whether through formal plans of representation or otherwise. And besides these there is the necessity of the atmosphere of cooperation between different departments and different executives and of effectiveness on the part of all members of the organization. For we little realize how many cases of unrest are due to the realization on the part of workers that a particular management is unsystematic and ineffective. This is one of the causes of unrest that has not been much advertised.

I venture to say that all these matters are just as important, if not more important to the employee's welfare, self-development and to his state of mind than even profit-sharing or the right to purchase stock. You can have a well satisfied, self-developing group of employees where there is no profit-sharing or stock ownership if these first principles of good management have been met. Where these various essentials do not exist the mere installation of a system of profit-sharing, or of a system of stock participation will not themselves produce a good esprit de corps. Good management and good organization must come first. They are the bread of our industrial life and it is well for us to have our bread before we have our cake.

A Well-rounded Program Considers Individual Needs

As a matter of fact such things as profit-sharing and the right to purchase stock should merely be part of a well rounded program. They are really a part of the management processes. I have mentioned them especially because there is a dramatic quality about this subject that has made some people believe that there is something magical about them alone like a proprietary medicine. Producing a healthy human organization within our industries is, however, dependent upon no simple panacea. Like health in real life it depends on a well-rounded daily régime suited to the needs of the particular individual.

I often wonder whether those who are devoting their careers to the problem of human organization in industry quite realize what an important role they are playing in the life of the nation. Our industrial life is becoming a larger part of our national life. To a large part of our population what occurs within our industrial establishments is the most important aspect of their lives. To them political life is remote as compared with industrial life. The whole mental and emotional personality of the worker is more or less moulded by what takes place in the factory. Thus the problem of perfecting the routine of our industrial life has become basic. It is the starting point in any attempt to produce a well ordered national life. Some of England's foremost political thinkers have seen this and it is for this reason I believe that the Earl of Balfour is acting as President of the British institution known as the National Institute of Industrial Psychology.

From one angle the factory is the melting pot of the nation. Well ordered industrial methods and tactful and effective supervision of employees will make them appreciate the importance of brains and leadership in our industrial structure. This will mean more for national stability than any artificial propaganda. There is as much opportunity for statesmanship in the industrial as in the political field.

SAM A. LEWISOHN, *Vice-President,*
Miami Copper Company.

THE MANAGEMENT INDEX

Abstracts and News Items

332. FINANCIAL MANAGEMENT

Financing for Sales Expansion

An investment banking house familiar with a particular trade can often sell without difficulty a large issue of bonds in that field. They are taken by jobbers, retailers and chain-store operators who handle the product and are therefore most interested in co-operating in its sale. The better known the product, the more easily is the bond issue marketed. Wrigley is a marked example of financing from profits and spending freely on advertising. Trade acceptances have extended markets almost indefinitely, in that they increase the buying and selling power of dealers and distributors. A number of finance companies specialize in discounting installment sales contracts for manufacturers and dealers. The Morris Plan Banks have in process a method for financing construction, repair work, and installations. Report No. 188, Dartnell Corporation.

Management Ability Helps with Your Banker, Too

Evidence of thorough familiarity with one's business and its management problems is a financial asset. Some of the things which a manufacturer ought to know and practice before talking business with his banker are here pointed out. By W. Irving Bullard. *Factory*, October, 1924, p. 505: 1.

Big Coast Bank to Give Control to Employees

A plan whereby the 2,200 employees of the Bank of Italy are to take over control of the bank has been approved by the directors. The plan will go into effect on January 1. Mr. Giannini, who founded

the bank twenty years ago, and who first proposed the plan, will continue as chairman of the bank's executive and finance committees. The plan calls for the obtaining of a controlling block of stock by the active employees, a change in the list of officers and the directorate at least every five years, to allow promotions to these offices from the employees' list, and the full protection of all the rights and present and potential earnings of the 14,000 stockholders.

Under the plan the bank will set aside 40 per cent of the net earnings at the end of each half year, to be added to a sum contributed from the salaries of the employees. The 40 per cent contribution of the bank, including dividends, will be given to the employees gratis, each to receive in proportion to the amount that he contributes to this control fund.

No employee will be permitted to subscribe more than 10 per cent of his salary to the fund, and the minimum he may subscribe has been set at 3 per cent. Thus those receiving the larger salaries will be prevented from gaining control of the bulk of the stock. *N. Y. Tribune*, October 17, 1924.

The Cost of Overhead

A substantial element of overhead has this characteristic, the expense is relatively fixed. It does not respond to increased sales, nor does it decrease when sales decline. Rent, insurance on equipment and buildings, taxes and depreciation are the so-called fixed expenses, and it is here that the problem of overhead arises. Business Leaflets, No. 9, Metropolitan Life Insurance Co., N. Y.

Business Forecasting and Its Relation to Modern Selling

Already many organizations have snatched at business forecasting in the hope that it would do away with all work and worry. Such a conclusion is absolutely a will-o'-the-wisp. Nevertheless, each one of the great movements—system, cost accounting, efficiency, and forecasting—is absolutely sound when properly used and will remain and further develop as a permanent part of business.

Of all the forward steps which have been proposed for increasing sales and the efficiency of distribution, the most important of all is the study of business trends, movements, and forecasts. The directors of sales, advertising, and credit are urged to study every available aid that will help in interpreting and forecasting these great fundamental business movements. By Roger W. Babson. *The Annals of the American Academy of Political and Social Science*, September, 1924, p. 142: 19.

651. OFFICE MANAGEMENT

651.1 Space: Location, Equipment, Arrangement

Taming Time and Distance

Ten minutes to London and back! This is an every-day occurrence in the Wire Department of the Chase National Bank of New York. Thirty-five different codes are in use. The number of messages handled each day averages above nine hundred, yet there is no appearance of confusion. One could never guess that London, Paris, Amsterdam, Buenos Aires, San Francisco, Chicago, Boston, and Philadelphia are all, perhaps, in touch with this little corner of the bank. *The Chase*, September, 1924.

How Shall We Equip the Office?

In an effort to secure economy of space, elimination of over-sized and unnecessary furniture will sometimes save thousands of dollars. Space necessary for a department doing a good deal of sorting and display work was cut down one-half by the invention of a specially designed table, slightly higher than the ordinary table and fitted with full-length shelves beneath the working surface. The effective result was to give the flat sorting space of three tables in the space normally occupied by one. The next step was to build a long counter with shelves on both sides, and to erect in the center a linoleum-covered bulletin board, the board projecting above

the counter three feet. Standardization facilitates the initial arrangement of furniture and subsequent changes; it improves the appearance of the office, encourages habits of neatness and orderliness and provides better and more suitable furniture. In rearranging an office, a set of cardboard templates numbered and cut to scale will facilitate the planning. By Warren D. Bruner. *Business*, October, 1924, p. 15: 4.

Old vs. New Methods of Equipment

Modern equipment has a big advantage over older styles and a wise investment in the installation of new equipment will not only save time and lower office costs, but will preserve valuable business records. Illustrations show good office layouts with various furniture arrangements. The advantages of a central filing system are pointed out. By F. Selway. *The Canadian Manufacturer*, October, 1924, p. 23: 3.

Factory and Office Illumination

In spite of the progress that has been made in artificial illumination, dingy, ill-lit offices and factories still exist in large numbers. It is strongly emphasized that suitable and adequate lighting arrangements are essential to high output. Industrial lighting has become an "international"

subject, in which all the chief nations of the world are keenly interested. By L. Gaster. *Business Organization and Management*, October, 1924, p. 23: 4.

Fitting the Office with the Proper Light

The color scheme of a room is an important factor in satisfactory illumination.

Certain colors reflect light much better than others, for instance, ivory-white, ivory, satin-green, lichen gray, and pearl-gray all reflect between 67 and 76 per cent. Colors which reflect low percentages are: slate gray, cocoanut brown, forest green, and olive green. By J. J. Kirk. *System*, October, 1924, p. 492: 1.

651.3 Organization: Job Analysis, Employment, Pay

Developments in the Field of Mental Testing

After the successful application of the Binet-Simon test of general intelligence, interest in this branch of psychology increased. Up to the close of the war, work had been done in testing general intelligence only, but the development of the Army tests opened many new possibilities. Trade tests and tests rating specific abilities were organized, and the number and kinds of general intelligence tests were increased. The Binet-Simon, Army, various trade tests, Downey-Will temperament tests and others are described. By Helen H. Dolan. *Public Health Reports*, October 3, 1924, p. 2505: 16.

An Equitable Plan for Paying Office Workers by Results

The premium wage plan of the Graton & Knight Manufacturing Company has as its basis a fair weekly salary for an average worker. Each operator keeps a weekly time sheet which reflects the work done, thus allowing the bonus to be calculated from a difference between actual and standard time and the difference between actual and allowed errors. Non-standardized work is reported on the back of the time sheet and is eliminated where possible. Care should be exercised in setting rates, and frankness used in explaining them to the clerks. This plan, with some alteration, has existed about four years in such different departments as: order and invoice, transcribing, accounting-machine, timekeeping, accounts receivable,

accounts payable, and stock ledger. It takes one man half a day to figure the premium. The matter of paying in proportion to the work done has a much more far-reaching effect upon the well-being of a company than an immediate saving through increased effort by each individual. Where office workers feel that as they become more proficient they will surely earn more, there will be decreased labor turnover and increased loyalty. Some of these advantages will be lost if the plan is not "sold" properly to the employees. Even though we haven't regarded a reduction in payroll expense essential to the success of the place, that has come also. By Paul H. Wilson. *System*, October, 1924, p. 425: 4.

Tests for Shop and Office Jobs

In devising a means for determining quickly and accurately what type of work certain individuals should be doing to attain their highest efficiency, Johnson O'Connor, of the General Electric Company, has made up fifty sample jobs, forty-five of which have since been scrapped. Five tests are now being used in hiring men and women, at the Lynn Works, apparently with success. They are tests in clerical work; fine instrument assembly; engineering, drafting, and design; inspection, and an executive test which Mr. O'Connor frankly admits may need revision. Those who are most familiar with this system of hiring by "sample jobs" admit that the work is in its infancy, but they claim for it that in time labor turnover will be

materially lessened and workers will be far more contented. By B. P. Campbell. *Management and Administration*, October, 1924, p. 409:3.

Securing Maximum Efficiency and Results in Trust Company Operation

It is axiomatic that the quality of service rendered by a bank or trust company depends chiefly upon the character and the spirit of co-ordination which obtains between officers and employees. Particular emphasis is placed upon the importance of selecting employees and providing those necessary incentives which make for loyalty and constant striving for greater efficiency. Favoritism must be avoided and

the best results will be secured by opportunities for promotion and increased remuneration as reward for meritorious service. By W. R. Bimson. *Trust Companies*, September, 1924, p. 265:2.

Engineering Aptitudes

The method of a practised interviewer in helping a young man discover his more fundamental interests and their relationship to his choice of a career. This method has been used during the last three years in the selection for employment and in the initial placement of technical school graduates. By John Mills. *The Journal of Personnel Research*, October, 1924, p. 197:9½.

651.4 Administration: Regulations, Supplies, Communications

The Link Between Office Managers and Salesmen

How the office keeps track of what is going on in the salesman's field, and when the customer will be in the market for more equipment is outlined in this article, based on interviews with A. M. Kennedy, Sales Manager of the Underwood Typewriter Co., Ltd., and T. D. Currie, Secretary-Treasurer of the Dominion Development Co. By T. R. Macklin. *The Canadian Manufacturer*, October, 1924, p. 26:2.

Pimco

P.I.M.C.O. (Prague International Management Conference) became a familiar sign on the winged badges of the visiting delegates to the First International Scientific Management Conference at Prague, held in July of this year.

Whatever the subject or language, there emerged out of the whole a sense that the underlying idea was one of a comprehensive principle held in common and based on scientific enquiries and scientific answers to those queries. The direct value of the conference beyond the importance of the technical information and the exchange of views by men of varied experi-

ence, lay in the evidence that men of widely different nationalities and training can meet on the common ground of the science of management and apply the general principles of that science to all forms of activity. By Eleanor Bushnell Cooke. *The Survey*, October 15, 1924, p. 83:1½.

The Art of Forgetting

The first of a new series devoted to the psychology of business administration. A distressing but common cause of inefficiency among business men—the lack of ability to forget—is here analyzed and practical remedies suggested. Another curse is the obsession by details which clog the free range of consideration and decision; instead of employing details as a basis for certain policies and tests, the harassed business man is helplessly distracted by them. By Anthony Clyne. *Business Organization and Management*, October, 1924, p. 33:3½.

Common Sense Savings in Office Management

To-day business houses which are making profits are doing so not only because of their ability to secure orders, but also because they are taking definite steps to

seek out and reduce to the minimum small wastes and losses. The office department presents an excellent field for such waste reduction work. Several examples of this

sort of waste are cited with ways and means of savings in time and money. By J. H. MacDonald. *Office Economist*, October, 1924.

651.447 Training and Education: *Schools, Libraries, Employee Publications*

Professional Men's Libraries

One of the distinctions between business and the professions is that it is part of the ethics of professions to maintain available records of all experiments and researches, and to prevent superfluous duplication of effort. Only a little work of this sort has as yet been done by business individuals and organizations. When records of business experiments and experiences are kept as carefully as scientific and professional workers report their data, the problems arising out of business affairs, as in distribution, management and others, will be handled with progressive swiftness, not by the halting process of repetitive experiments.

There are borderline professions that are half-way business, in which the library is used with scientific thoroughness. Several

of these Engineering, Accountancy and Law Libraries are described. By Eleanor Gilbert. *Office Economist*, November, 1924.

College Men Best Paid

The cash value of a college education to its possessor is \$72,000, according to a report by Dean Lord, of the Boston University College of Business Administration, based on a study of the earnings of college graduates. The value of a high school education is placed at \$33,000.

The report gives the average maximum annual income of the untrained man as \$1,200; of the high school graduate, \$2,200, and the college graduate, \$6,000. Dean Lord estimated that while the untrained man at fifty begins to drop back, the college man reaches his maximum earning capacity at sixty. *The New York World*, October 18, 1924.

651.5 Records: *Forms, Charts, Cards, Files, Statistics*

A Basis for Cost Accounting in Banks

An invaluable aid for proper management is the described outline for expense analysis, which for a bank, should be strictly departmental, with suggested departmental divisions. This article also touches on such subjects as Measuring Production, Ascertaining Costs of Deposits and Uses and Costs. The larger banks maintain an analysis department, the function of which is to analyze the accounts of depositors, as to whether or not these are profitable. By Gordon Wilson. *National Association of Cost Accountants*, July 15, 1924, 10 pp.

Hints About Your Filing

The continuous method of transferring

is to be recommended for certain subject files for the reason that many files cover transactions extending over long periods, while others are dead within a few days after they originate. Some of the advantages of the continuous transfer over the complete or bodily transfer are: 1. It is spare time work. 2. Less active filing space is required. 3. Active files are kept out of the dead section. 4. Current filing work is not interrupted. 5. The crowding of file drawers is eliminated. 6. The periodical check for closed files brings to light errors and keeps the files neat. Many other practical details concerning this system are also given. By C. U. Stapleton. *Canadian National Railways Magazine*, September, 1924, p. 22:1.

658. PRODUCTION MANAGEMENT

658.1 General: *Promotion, Finance, Organization*

Quality Manufacturing at Predetermined Costs

A science of cost engineering is developing. Some manufacturers are no longer content to let cost records be a mere financial check on manufacturing operations. They want cost information that will be a positive help in production; a tool of the production executive, not a measure of his achievements. What has happened since the Packard organization adopted this attitude is told in this article and two which will follow. By E. F. Roberts. *Factory*, October, 1924, p. 495: 5.

Controlling the Labor

Describes a Process Labor Cost system which is as simple as possible, so that the actual machinery in assembling the data would not be more expensive to operate than the results obtained would justify. By David W. Hook. National Association of Cost Accountants, August 15, 1924, 2 pp.

Working Plans to Realize Profits

Navigating a business and bringing it safely to the port of substantial profits offers many difficulties unless the science of management is practised. Ten years ago William Kent defined scientific management as extending beyond "labor-saving or shop management" to "methods of distributing and marketing the product, to meeting the changes in character or fashion of the product, to questions of concentration or expansion, or relocation, of finance, etc." A knowledge of the proper technique necessary in applying successfully a few fundamental principles must be acquired. Much has been written on scientific management as applied to factory problems. The series of articles of which this is the first aims to supply the application of the following principles outside the factory: 1. Charting a course. 2. Periodical determination of actual position in relation to course laid

down and analyzing variations according to causes. 3. Modifying course to conform to conditions which have come about. By G. Charter Harrison. *Management and Administration*, October, 1924, p. 361: 6.

Inventory Valuation and the Business Cycle

A method of valuation of inventory which levels the gains and losses over a period of time is practised by the National Lead Company and has as its basis "the normal stock." Charts show a comparison of normal stock method with average cost method of valuation, and with cost of market method. A comparative statement over the years from 1913 to 1923 shows practically no difference in the net profit for the period. The variations in individual years, however, are tremendous, the year 1921 being the most conspicuous case. This method of computing inventory values has, however, not been accepted by the Bureau of Internal Revenue for tax purposes. The acceptance of the normal stock method by the Bureau would no doubt stimulate the general recognition of it. The normal stock inventory automatically creates a reserve that strengthens the basis for credit, gives stability, and makes expansion safe. It has proved its effectiveness over a most difficult period. By H. T. Warshaw. *Harvard Business Review*, October, 1924, p. 27: 8.

The Use of Budgets in Reducing Overhead

In establishing the budget itself, past records should not be used entirely, but only as a guide to each element of expense which is being entailed in the department. These should be divided as to fixed and variable elements. Those items of fixed expense will remain, regardless of the amount of production being sent through the shop, while other items will vary according to the amount of production. Each

department in the plant is analyzed in the same way and the total budget arrived at. Even though a budget is set up in this fashion, it does not do a great deal of good unless the information which is going to control the expense is served to the departmental foremen "hot" from the Cost Department. That means not information a month or six weeks old, because by that time it would be decidedly chilled, but it does do a world of good if the information is given the foreman within a day or two. By Ray W. Darnell. *National Association of Cost Accountants*, October 1, 1924, 6 pp.

Industrial Budget Methods

Charts showing what guides the Walworth Manufacturing Company in its business forecasting illustrate an article emphasizing the need for industrial budgeting. An analogy is drawn between the organization of a particular concern and industry as a whole. The analysis of business conditions can only progress as certain standardized units of measurement are utilized. Four basic types of fluctuations affect business activity: 1. Seasonal variation, 2. business cycle trends, 3. secular, or long-time growth, 4. erratic changes. The probable net change in volume will be the net total change of the four individual probabili-

ties. By Joseph H. Barber. *Management and Administration*, October, 1924, p. 371:6.

Textile Industry Improved, But Inflation or Scarcity Unlikely

While there has been a fairly substantial improvement in many lines of textiles during the past few months, this change should not be made the basis for erroneous conclusions that may prove unprofitable later on. To talk of a boom is illogical at the present time. There is no sound evidence to warrant such a movement, for there are too many factors that weigh against its progress. *The Pennsylvania Register*, September 29, 1924.

Visualizing Budgetary Control

Steps in planning the budget of a manufacturing company are outlined in a chart and the duties and functions of executives and their departments are stated. A production meeting attended by the representatives of the sales, finance and manufacturing divisions is held to determine the following one-month's schedule. A monthly operating statement is prepared by the comptroller. By Edward H. Tingley. *Management and Administration*, October, 1924, p. 383:4.

658.2 Plant: Location, Lighting, Heating, Ventilation.

Is the Big City Doomed as an Industrial Center?

Diversified industries, homes for workers, and good transportation are the three cardinal points of the many small cities now forging ahead in the rate of industrial growth. Cheap fuel and power is another, although not so important to most trades as labor efficiency. The automobile is causing a great geographical revolution, decentralizing countless factories to garden spots from which a fast truck service connects them with city markets. Paragraphs are given to the mention of a

number of the smaller cities, with the principal industries in each noted. By John A. Piquet. *Industrial Management* September, 1924, p. 139:6.

Information from a Question Box

Procter & Gamble Manufacturing Company, Hamilton, have a Safety Committee composed of five men. A weekly inspection of the plant is made and the recommendations for safety are made to the Superintendent's office. A suggestion box is provided and much useful information is obtained through it. Since the Safety

Committee has been in operation here a very noticeable decrease in the number of accidents has taken place. *The Canadian Manufacturer*, September, 1924.

We Take Fire Prevention Seriously

As a part of the training of the employees of the Union Special Machine Company, they must understand the workings of the chemical extinguishers. It is not enough to have fire-fighting equipment on hand, it must be the most efficient for its purpose, and the men must be prepared to make full use of proper equipment when the fire occurs. By W. C. Holman. *Factory*, October, 1924, p. 502: 3¼.

Twenty Years Without a "Fatal"

Twenty years' operation of a steel plant without an accidental death is the proud record of the Truscon Steel Company, of Youngstown, Ohio. This is the result of intensive study of safe practices in industry. Safety suggestions are not merely considered; if they are practicable, they are immediately applied, regardless of cost. At present there are representatives of five nationalities studying safe building practices at Truscon: one each from Canada, Armenia, China, Japan and Philippine Islands. By Arthur J. Lynch. *National Safety News*, October, 1924, p. 51: 2.

Safe Use of Hand and Power Trucks

In the larger plants hand trucking is gradually being replaced by electric trucks and tractors with auxiliary equipment, such as trailers and platforms. The hazards of the electric truck are apt to be numerous and serious and they can be minimized only through proper maintenance of trucks and equipment, a system of designated trucking

aisles kept clear of obstructions, the employment of competent operators and the strictest supervision of the man, the truck and the job. By George J. Schirch. *National Safety News*, October, 1924, p. 27: 2.

Garment Factories Follow the Printing Trades Out of the City

It is said that a number of factories have gone from New York City to other localities, and have been rewarded by greatly improved showings. From the viewpoint of the worker there is no question about many of the desirable points in living in a small town. Among the factors which are pointing the way to the smaller places are the high commercial rentals, which must be charged to overhead, difficulties in connection with production problems and the constant dickering over prices. *The Pennsylvania Register*, September 23, 1924.

Is Your Factory Location an Asset or a Liability?

The labor problem is the leading one in our industrial civilization. The solution is not high wages alone, for in the high wage trades we find the fiercest conflicts. It is rather in conditions both inside and outside the factory. The Right Town produces that condition, and takes thought for its housing and recreation. In the gigantic scheme of locating industry for efficiency, it is the intangibles of human happiness and satisfaction that are attracting industry from slums and smoke to the places of light and health; ultimately to make industry a living and human thing. By John A. Piquet. *Industry Illustrated*, October, 1924, p. 14: 5.

658.3 Industrial Economics: Labor and Capital, Wage Theory, Legislation

Railroad Ownership and Control by Employees

Labor can create enough capital to acquire financial ownership of our national

railway system. This has been brought about principally through the tremendous increases in wage-scales and resultant increase in the total compensation paid to

labor as compared with the total compensation accrued as earnings on invested capital. Sound economics demand that the ownership be vested in those whose efforts produce the results. A concrete plan for a sound and sane solution to this problem is outlined under the caption of the "Muller Plan." By Jean Paul Muller. *Railway Age*, October 18, 1924, p. 681:1½.

Development of Real Men of Intelligence a Factor of the American Labor Movement

According to an editorial in the *Trades Union News* of Philadelphia, the ambition of the average American workingman is to buy his own house. He wishes to pay for his own doctor and his own medicine. The check-off system introduced by employers to tax him for their social welfare program is irksome—it would be better for all concerned if the workmen joined together to run their own co-operative medical service. Workmen are more self-respecting citizens if they get their recreation in their own clubhouse than if they play on ground donated by their employer.

Thus there is a sharp line of demarcation between co-operation and "social welfare" work. *Industrial Relations: Bloomfield's Labor Digest*, October 4, 1924.

Unemployment Insurance from the Standpoint of Conditions in the United States

There are two kinds of lack of work, seasonal and cyclical. Against the unemployment resulting from seasonal work considerable headway has been made. For instance, the high wages paid masons is in part a form of insurance against their seasonal unemployment. Other concerns try to put the responsibility for stability of demand frankly upon the shoulders of the selling force. The consumer is expected to play a part in the work of stabilization by improved distribution of his purchases.

In the field of cyclical unemployment the problem is more difficult. We can foretell and possibly forestall the great changes

in business and industry to some extent, but they are likely to continue, even though with diminished intensity. What we can do is to postpone certain projects, such as road construction and the erection of public buildings, to a time when the industries of the country are not bidding against one another for the available labor supply.

The question might be asked whether the benefits to be expected from the greater stabilization of industry might not be accomplished through some form of unemployment insurance. By William B. Bailey. *The Economic World*, September 27, 1924, p. 456:1½.

How Our Men Govern Themselves

By means of talks, charts and pamphlets, we (American Mutigraph Company) have endeavored to show our men the correct relationship between capital and labor, and the part they, as individuals, play in the world of business. Immediately following our course in "Workingmen's Economics" we began discussing employee representation. The outcome was the adoption, March 1, 1919, of the system of employee representation under which we are now working. We have a Congress of 24 members, elected by and from the workers. There is a Cabinet consisting of the executives of the company; and in case of a total disagreement (something which in two years' experience has not occurred) there is an Arbitration Board. There are also departmental representatives who are elected by the workers. It is their duty to convey to Congress all matters of interest presented to them by the workers of their department. These representatives have no voting power. Many industrial democracies were successful during the war on a rising labor market, but the great test is now in progress and many managers are awaiting its results with keen interest. It became necessary for us to reduce the hours of work from six days a week, 44½ hours' working time, to five days a week, 40 hours' working time, and to reduce the force by about 20 per cent. Each of these moves was made after a committee of the Employees' Congress had gone into the

matter thoroughly and concurred with the management in the course taken. By H. C. Osborn. *Leighton's Magazine*, September 1924, p. 10:1.

The Next Step in Immigration

The problem of selecting the workers that are needed in the country's upbuilding is the one vital problem in a proper immigration policy in this country. The same principles which have been of benefit to the industries and their working forces can be applied with general advantage in recruiting men for our economic requirements. The personnel man will some day have his place at the ports of departure for this country and at the ports of entry. *Industrial Relations: Bloomfield's Labor Digest*, September 27, 1924.

Methods of Wage Payment: The Day Wage

For the purpose of analysis, day-work may be divided into two classes. One type is that in which every employee of a certain craft classification receives the same wages regardless of individual qualifications. The other type is that in which the principles of scientific management are applied, to the extent that work is carefully planned ahead for each employee and records are kept of the individual performance of the workmen. Under the

first type the principal objection to the day-rate system is that it represses the superior man. Ambitious employees reach the conclusion that they receive no direct benefits from hard work. On the other hand, there are those who believe that these criticisms of day-work are erroneous, and that they are true only in case the conditions within the organization are at fault for attempting to use day-work under improper conditions. They believe that any advantages to be derived from time and motion study can be capitalized under the day-work system. *Harvard Business Review*, October, 1924, p. 99:4.

Legal and Contractual Relations

The fundamental phases of legal technicalities that might arise in employment work are touched upon. It is most important that the employment office should be the repository for legal information that bears directly on employee relations as covered by the statutes and ordinances of the state and city in which the firm is located. It is more important to know local laws than to have a broad and general knowledge of many laws. It is particularly necessary to be well informed on the subject of employment contracts, employers' liability, and compensation insurance. *Personnel Management*, Assignment 29, LaSalle Extension University, 44 pp.

658.41 Employment: Classification, Selection, Tests, Turnover

Unemployment in Good Years and Bad

Averaging good and bad years, 10 to 12 per cent of all the workers in the United States are out of work all of the time. Widespread unemployment is now a constant phenomenon with far-reaching economic, social, psychological and moral bearings. In seeking work through certain types of commercial or fee-charging employment bureaus—particularly those dealing with unskilled and casual labor—thousands of men and women are being exploited. Public employment bureaus or exchanges can make a material contribution toward the solution of this and other

phases of the ever-recurring problem of unemployment.

A five-year study of employment methods, needs, and agencies includes the problems of farm labor, migratory and casual workers, junior workers, handicapped workers, immigrants, Negro workers, and professional workers. Russell Sage Foundation. Introduction to report to be issued shortly.

The Employee's Past

In the less important positions sometimes the only check that is made of the applicant's past record is to ask him for

whom he has worked, how long he has worked at each place, etc. One can readily see that in such a situation as this there is likely to be considerable overstatement of the previous industrial experience. The consequences are that there is a slight exaggeration in every statement, so that the total picture presented is considerably distorted. A number of charts are given which serve to visualize this point. By Donald A. Laird. *Industrial Management*, September, 1924, p. 152:9.

Civilian Rehabilitation and the Industrial Plant

As a result of the development of the civilian rehabilitation program, there is now available in thirty-six states a state rehabilitation service which is eager to give to managers of industrial plants the form of service for their injured workers which will result not only in benefits to the workers themselves, but also in advantage to the general efficiency of the plants. Vocational rehabilitation of the physically disabled is one of the important means by which the morale and effectiveness in production of workers may be effected. By John Aubel Kratz. *Vocational Education Magazine*, September, 1924, p. 947:2.

Railway Executives Plan to Stabilize Employment

A thorough inquiry into the means of further stabilizing railroad work and employment, with a view to avoiding the reduction of forces and of purchases in dull times and of distributing the expenditures more equally between times of depression and times of prosperity, was instituted by the executive committee of the Association of Railway Executives at a meeting in

New York City on September 18. It is hoped that the inquiry may develop results of far-reaching importance in the direction of reducing seasonal and periodical unemployment in the railroad service and in industries largely dependent upon railroad purchases, with consequent effects on general business. *Railway Age*, September

ber 27, 1924, p. 539:1¼.

Minimum Intellectual Levels of Accomplishment in Industry

A study of 375 girls who were sent to the Vocational Adjustment Bureau of New York City for placement in industrial positions. A promising beginning toward the determination of the minimum intellectual levels demanded by the kinds of jobs these girls were able to hold has been made. By Emily T. Burr. *The Journal of Personnel Research*, October, 1924, p. 207:5.

To Cut the Waste of Unemployment

Seasonal unemployment in the Dennison Manufacturing Company has shown a marked reduction by the adoption of certain definite practices. As a first step, salesmen urged purchasers of seasonal merchandise to place their orders well in advance. Next, the planning of the work within the factory was revised. The production of holiday and stock merchandise was planned a year in advance.

In making preparations to deal with cyclical business depressions, purchasing was placed upon a scientific basis and advertising expenditures were apportioned to meet the varying conditions of the market. The whole plan is frankly an experiment and no final statement can be given as to its results. By Henry S. Dennison. *The Nation's Business*, October, 1924, p. 32:1¼.

658.44 Employee Service: Hygiene, Recreation, Lunch Rooms, Stores

The Economic Aspect of the Plant Restaurant

There are more than 5,000 industrial restaurants in operation in this country at the present time. The well-managed shop restaurant is no longer operated at

a great monetary loss. New methods of bookkeeping and modern equipment have transformed it from a white elephant to a department that has as good standing as any other in the plant. Modern prandial chemistry has done much to improve it;

the meals furnished are based upon proper food economics and proper food values. In many plants since restaurants have been installed fatigue has been lessened, accidents have decreased, and the general health of the employees has improved. By Sanford DeHart. *Industry Illustrated*, October, 1924, p. 36: 2.

Management Must First Understand Men

In California the Standard Oil Company has worked out a system of industrial relations which has brought very satisfactory results. The company has one undeviating policy with respect to working conditions: the best in food, housing, equipment, safety devices, sanitary service, and medical attention. Recreation facilities, even in the wilds, are never neglected. The new camp has its recreation hall, where books, magazines, pool and billiards are provided. As the business of the company in many respects is highly technical, an educational

bureau was established through which employees could receive special training on company methods, products, and policies. By H. F. White. *Trained Men*, November, 1924, p. 238: 3½.

Prevention of Infections from Industrial Accidents

Consideration is given to the prevention of industrial infections at their outset, with especial attention given to those minor wounds which secondarily become infected. The proper treatment of scalp wounds, infection of the hands and feet, treatment of punctured wounds, and first aid for electric burns are discussed in considerable detail. Iodine has been eliminated for a number of years from the medical department of the Milwaukee Electric Railway & Light Company, and instead plenty of soap and water, and boric acid dressings are advocated as proper infection preventives. By Dr. Ernest W. Miller. *The Nation's Health*, October, 1924, p. 694: 3½.

658.447 Training and Education: Schools, Libraries, Apprenticeships, Employee Publications, Bulletin Boards.

Welcoming the Apprentice

A trade must be set up as an education, as a future and a prospect. Then there must be at hand the organization putting such a program into effect. Let it become known that a real education, a real training is being offered and the sixteen-year-old interest and enthusiasm is immediately aroused. By H. A. Frommelt. *Trained Men*, November, 1924, p. 242: 2.

A Training Department Which Functions in a Number of Small Plants

The history and growth of the training activities of the Tennessee Furniture Corporation are outlined. An interesting feature of this course is that during its process there was built up a great fund of information about the machines, materials and processes of the industry which was filed and indexed, making it available for ready reference.

Office clerks who in any way come in contact with production, all factory superintendents, clerks, and salesmen are included in the training program. The result of this training is that there is a high class of ambitious young men always applying for employment. By James M. Alexander. *Vocational Education Magazine*, September, 1924, p. 949: 2.

The American Plan

What the American Plan and the Industrial Association have done for the San Francisco foundries is here told. As there was a national shortage of good moulders, the industrial association opened a school for their training. In each of the American Plan foundries there is a department which is virtually a moulders' school. In this effective and economic way, enough young men have been trained to enable the foundries to operate without difficulty;

in fact, they have found themselves better off from a labor standpoint than ever before. By Warren Ryder. *Barron's*, September 15, 1924, p. 11: 1/2.

Short Course in Technics of Telephony

The first summer school dealing with telephone work at the Maritime Telegraph & Telephone Company at Halifax, Nova Scotia, proved to be very successful. The complete resources of the Nova Scotia Technical College were placed at the disposal of the industries of the province. The college authorities and company officials met together and worked out a careful plan for a short-term course that would cover general principles of electricity, electrical machinery testing, and technical knowledge of telephone traffic, construction, accounting, etc. The company's offer to its employees was that it would

grant two weeks' leave on full pay, and also pay the college fees, the student to pay his own traveling expenses and board. *The Monthly Bulletin*, September, 1924.

Foreman Training

The peculiar and important position of the foreman, who is to-day the principal, and sometimes the only connecting link, between management and men, together with the characteristics of the individuals who turn out the enormous productions of our industries, creates a comparatively new problem in industry. It is this problem that is dealt with in this report, which is divided into three parts: Why Have Foreman Training? What to Include in Foreman Training; How to Conduct Foreman Training; Report of the Committee on Foreman Training. Industrial Training Section: Pittsburgh Personnel Association, June 1, 1924, 19 pp.

658.45 Benefit Systems and Incentives: Group Insurance, Pensions, Profit Sharing, Wage Plans, Suggestions, Vacations

Paper and Pulp Manufacturing

Job standardization, wage incentives and bonus plans in this industry are described in some detail. Sales and manufacturing schedules have been adjusted so as to fill orders promptly, thus releasing capital tied up in excess stock. The planning department of a large paper manufacturing company is the central type, with the dispatching decentralized by departments or groups of departments. Its operation is outlined. In a plant manufacturing folding paper boxes, by routing and scheduling of work, standardization of equipment, and a task and bonus method of payment based on time study in place of piece rates set by foremen, the wages have been increased from 50 to 100 per cent, production increased 50 per cent, and the cost decreased 25 per cent. By Sanford E. Thompson and Willard E. Freeland. *Management and Administration*, October, 1924, p. 397: 6.

Rewarding Employee Inventors

One of the executive's most vexing prob-

lems is how to deal with the employee who develops patentable ideas of practical value. Toy Tinkers, Inc., have adopted the following plan: The sum of \$250 per year will be paid to the inventor for a period of five years, providing the Toy Tinkers continue the manufacture for that length of time. If the toy is discontinued prior to the expiration of the five-year period, then the sole rights to the toy are to revert to the inventor, who will have received \$250 per year up to the time of discontinuation. The Toy Tinkers assume all the expense of patent, providing the toy is to be patented. The patent is taken out in the name of the inventor and assigned to the Toy Tinkers, to be reassigned to the inventor in case of discontinuation. By H. S. McCauley. *Management*, October, 1924, p. 62: 3.

Industrial Relations Within the Henry A. Dix & Sons Corporation

Henry A. Dix & Sons Corporation, clothing manufacturers in New York, em-

ploying about 386 workers, apparently meets to some extent the needs and desires of its workers. Its employees work in light, sanitary factory buildings, eight hours a day, five days a week, fifty weeks a year, and have two weeks' vacation with pay. Each factory building is equipped with a large recreation hall, private rest room, and a dining room where tea or cof-

fee is served gratis. It is significant that all of the present directors have risen from the ranks. The business success is shared by the workers through a combined profit-sharing and stock-ownership plan; under this plan, in ten years, the workers will hold one-third of the 7 per cent preferred stock of the corporation. *Law and Labor*, October, 1924, p. 284:1.

658.46 Labor Relations: Collective Bargaining, Arbitration, Employee Representation

Six Years of Employee Initiative

The Columbia Conserve Company of Indianapolis is about to complete six years of successful pioneering in industrial relations work. The starting point in the Columbia plan was to put every permanent wage-earner on a salary basis. Office and shop workers are on a basis of equality. An employees' council keeps up a live interest in the acquisition of stock, with the view of future increase of control. *Industrial Relations: Bloomfield's Labor Digest*, October 11, 1924.

The Plan of the International Ladies' Garment Workers' Union

The plan of the International Ladies' Garment Workers' Union to become a manufacturing concern will be watched with interest. The union proposes to raise capital among the members, acquire a factory, take the cloth supplied by dealers and make it into cloaks and suits, allowing the dealers to do all the buying and selling. The design is to demonstrate the economy and efficiency of large scale production and to do away with sweat shop conditions. There have been a number of trade union efforts to become employers from time to time, but they have invariably resulted in dissensions among the unionists themselves. At the moment, the miners' union is having a bitter controversy with the Brotherhood of Locomotive Engineers over the question of applying the full union rules of the miners' union to the coal mines owned by the brotherhood. When union leaders become bosses their point of view usually

changes. It remains to be seen whether the garment worker leaders in this new enterprise will be able to agree with the union workers who do not have stock in the concern. Both sides are likely to learn something they have not known before about labor and manufacturing conditions. *New York Evening Post*, October 21, 1924.

Practical Method of Securing Co-operation

The Pennsylvania Railroad plan of employee-management relationship proceeds on the theory that men are fair and reasonable when they know the facts; that employees and management have an equally vital stake in the railroad; that their individual success is determined by the success of their joint enterprise, and that negotiations and agreements arrived at from the bottom up and not handed down from the top or from the outside are conducive to mutual understanding and satisfaction. The plan is not anti-union, in fact, it is based primarily on the principle of collective bargaining. It has been in successful operation during three of the most trying years in railroad history. By a Pennsylvania Representative. *Railway Age*, September 13, 1924, p. 453:3.

Letting Labor Solve Its Own Problems

The employees' representation plan of Swift & Company was devised primarily for the purpose of securing the co-operation of plant employees. In three years'

time the assembly has considered 865 questions affecting the company's 25,000 employees, and has settled all but ten of them—588 being decided in favor of the workers. In handling these matters the as-

sembly has relieved the company's executives of much detail work, which formerly interfered seriously with their productive tasks. By P. A. Twiss. *Management*, October, 1924, p. 48:3.

658.56 Shop Organization: *Methods, Salvage, Waste, Job Assignments.*

Dividends for Dull Times

Possible savings in power plant operation are by improvement in physical equipment and better methods of operation. In one large plant a change in method of operation produced a saving of a quarter of a million dollars a year. Savings in the purchase of coal are often possible and attention should be given to meters to see that they function. After equipment is modernized, it is also necessary to modernize the men and methods behind it. By David Moffat Myers. *Management and Administration*, October, 1924, p. 417; 2½.

Standardization in Industry

In the movement to cut down waste in industry, much progress has of late been made through standardization. Chief among the industries to which standardization has been applied is the lumber indus-

try. Other products on which progress has been made include metal lath, forge tools, paper, roof slate, nuts and bolts, hardware, concrete blocks and steel refractories. To reach its full effectiveness, standardization must be carried out on a national inter-industry basis. *The Index*, October, 1924.

Conveyors Handle Chewing Gum

The necessity for insuring a profit, even though fractional, on each package of gum has brought about the extensive use of mechanical equipment in this industry. A gravity conveyor storage system acts as an assembling and delivery point. The cost of installing this elaborate system is offset by speed in handling and shipping. Air conditioning which ensures quality of product is also done by mechanical means. By W. B. Ranney. *Management and Administration*, October 1924, p. 387:4

658.6 BUYING, RECEIVING, STORING, SHIPPING :

Budgeting Your Buying and Managing Your Store

The budget enables you to work for a certain goal, to compare your actual performance with this goal. The budget works against the temptation to overbuy. It places before the buyer other considerations besides the price of the goods offered. It inspires a careful study of the store's affairs.

A budget will not make an incompetent buyer a good buyer, but it will make a good buyer a better buyer, because it makes his whole business activity a game and keeps his endeavor on a high level. Address delivered before the convention of

the American National Retail Jewelers' Association. By Charles A. Hammarstrom. Reprint. *The Keystone*, Oct. 1924. 5½ pp.

How To Answer the Hand-to-Mouth Buyer

It should be easy for a manufacturer to assemble facts and figures out of his own experience to support the idea that a retailer cannot make a showing with any item of merchandise unless he is willing to handle it wholeheartedly. Facts and figures such as these would go a long way to overcome the serious objection of hand-to-mouth buying. Salesmen armed with

arguments of this kind would be able to strike back effectively at the buyer who only nibbles instead of buying like a full-grown man. By Martin Hastings, Jr. *Printers' Ink*, October 23, 1924, p. 17:3½.

Cutting Shipping Costs

Science in packing has long been recognized by American business men. The wire bound box has developed because of the saving in lumber and weight and a gain in durability. After the strips of wood have been pared from the logs and dried, they are put through a huge sewing machine which is operated so simply that ex-

pert labor is not required. Some of these machines turn out as much as 3½ miles of box board in a day. Tests have proved these boxes much stronger than an ordinary packing case. The American Chain Company reports a saving in labor from the speed with which the wirebound boxes can be handled, set up, packed and closed. Another advantage is that they occupy less storage space when knocked down. These light weight containers carry successfully shipments up to five hundred pounds. The method of closing makes the box a difficult problem for the thief. By Harold W. Hawk. *Management and Administration*, October 1924, p. 367:4.

658.8 SALES MANAGEMENT

658.81 Organization of Department: *Employment, Analysis, Salaries.*

Making Things Pleasant for the Customer

Attention to the creation of a favorable atmosphere has been given in an interesting way by the Canadian General Electric Co., Limited, at their sales office in Toronto. They have gone to the extent of incorporating in their sales department what they have named their "Customers' Club." It is an expansion of the waiting room idea with the addition of a number of services not usually included in such a department. It serves also as a meeting place for the company's salesmen when they assemble in Toronto. By R. M. Hunter. *Industrial Canada*, October, 1924, p. 87:1.

Some Aspects of Chain-Store Development

Data compiled from the results of a questionnaire received from twelve grocery chains, nine drug chains, seven shoe, and four tobacco chains form the basis for this discussion. A tabulation of purchasing sources shows that almost all retailers buy some of their commodities direct from the producer. The chain, in many fields, has nearly eliminated the jobber as a source of its stock. Staples are bought

direct more often than specialty items. About 40 per cent of the chains in each field (drug, grocery, tobacco, shoes) own some part of their warehouse facilities and a large number own from 90 to 100 per cent. More than half own some part of their trucks. Manufacturing is still of limited importance in the chain field. Most grocery chains bake their own bread and a few roast coffee. Most tobacco chains produce cigars. Production of raw materials by chain systems is negligible—a few have farms, one has fisheries. The use of private brands is limited owing to the fact that articles bearing them are apt to be hard to move. By Wadsworth H. Mullen. *Harvard Business Review*, October, 1924, p. 69:12.

Allocation of Work and the Distribution of Authority in the Sales Department

Generously illustrated with organization charts of specific companies, this report deals with the functional type of organization, the geographical plan, the products type and discusses possible combinations of types. Distribution of work in an average type sales organization is outlined. Report 182. Dartnell Corporation.

Features of the Filene Store Employee Charter

The Filene Co-operative Association takes in all the store employees, including the management—about 3,000 in all. This association carries on a business on its own

account in the credit union, insurance society and restaurant which amounts each year to something like \$750,000. The text of the latest version of the employee charter is given. *Industrial Relations: Bloomfield's Labor Digest*, September 13, 1924.

658.82 Sales Promotion: Letters, House Organs, Advertising

Customer Ownership

The methods employed to put over a customer-ownership sale are similar to the tactics used in the Liberty Loan drives. A very strong appeal has to be made for a company to sell successfully a security which does not carry any chance of speculative profit. Customer ownership benefits the consumer at the same time helping the company, from the standpoint of the company, it is desirable because it cements public favor in its behalf. By Philip B. Niles. *Barron's*, September 22, 1924, p. 11:½.

New Business Chances Going to Waste

Bankers do not realize the prospects in the payrolls of large industrial concerns, especially in country towns. One of the greatest problems of these workers is the inconvenience in doing their own banking. In places where thousands of dollars are paid out each week, would it not pay a bank to have a visiting representative on hand when money is exchanged? The man to be selected must first of all have personality; ability to gain the confidence, respect and lasting admiration of these people. He must be both a mixer and a settler. A process of painless banking education must be administered without the patient realizing that he is taking the dose, and in time these people can be taught to love the bank that has helped them. By May C. Stock. *Coast Banker*, September, 1924, p. 523:¾.

If O. Henry Had Your Problem

Where does institutional dignity leave off and traditional stiffneckery begin? How

much human interest can you afford in your advertising without sacrificing prestige? One of the most successful campaigns in banking advertising was a humorous, whimsical little series of character sketches from the teller's window bringing out the points of service offered by the bank as they were being used by "just people"—the sort of people that O. Henry loved to write about. By John M. Dolph. *Coast Banker*, September, 1924, p. 561:1.

Meeting the Retailer's Argument Against Quality and High Price

The methods as used by the Vanity Fair Silk Mills to keep its retail dealers constantly sold on the quality of its product are thus summed up: First, there is a national campaign of advertising to the consumer, in which the quality of glove silk is emphasized. Second, the merchandising of the national copy to the dealers. Third, educational talks by the salesmen to dealers on the various good points of the fabric. Fourth, letters sent to the members of each dealer's sales force instructing them how to answer customers' questions. Fifth, the company's policy in avoiding the danger of placing the line with too many retailers in a locality. By Roland Cole. *Printers' Ink*, September 25, 1924, p. 85:4.

Is Thrift a Weak Appeal in Selling a Bank's Savings Department?

Generally all banks have the same services to offer and the price is the same. Consequently the result has been that bank advertising has been almost entirely de-

voted to thrift propaganda—the opening of a savings account. But it is now agreed by bank promotion men that thrift in itself ranks low in the list of selling or advertising appeals.

The Dime Savings Bank, Detroit, within the last few months, has virtually made a leader out of a savings plan to buy \$1,000 on easy payments, advertising this in large space and merchandising the plan with all the intensity of a food product or automotive accessory manufacturer. The result has been that the advertising has not only produced more than the average of publicity and good-will, but direct results have been obtained that would not otherwise have been forthcoming. By Dana Hubbard. *Printers' Ink*, October 2, 1924, p. 33:3.

Fifty Inexpensive Plans for Getting Inquiries

Primary consideration has been given to inquiry getting plans which utilize the mails rather than publication advertising. Consideration in this report has been given to methods for keeping the mailing list active, the technique of preparing the advertisement, the question of postage and enclosures, reply cards, revival of dead accounts, special features that win attention and eleven methods for getting attention. Special Investigation. *Report No. 184*. The Dartnell Corporation.

\$73,000 More in Sales for \$3,000

A description of how a store magazine penetrated a new market and stimulated good will in the one already covered. The paper is edited to convey other information than that strictly allied to the store, and one feature is a page of want ads, printed free for customers. By James K. Woods. *Business*, October, 1924, p. 22:2.

The Britigan Method of Keeping a Sales Force on its Toes

The two fundamental ways of making a sales force produce to the best of its ability are these: Provide the men at frequent intervals with carefully prepared instructions and selling ideas about their

product, and give them cash bonuses to spur their efforts beyond what their energies would ordinarily produce. Meetings are the hub of this plan; every known scheme was tried, but the weekly educational and inspirational meeting remains the background of the force. By William H. Britigan. *Sales Management*, October, 1924, p. 1585:2½.

Brunswick Holds Sales Conference for Retailer's Salesmen

Five hundred retailers and their clerks paid their own expenses to Chicago and spent two days in convention discussing sales methods for increasing sales of Brunswick - Balke - Collender products. Three letters and a house organ aroused their interest sufficiently to make this meeting possible. *Sales Management*, October, 1924, p. 1609:1½.

Is Your Sales Area Limited to a Day's Journey?

The experiences of the Masback Hardware Company of New York in selling hardware at a profit. They increased their territory from less than one hundred square miles so that it now includes a large section of the country, by getting out a weekly price service to sell at a reasonable charge to retailers who were losing money because they were out of touch with active prices. That this method of keeping retailers in remote sections posted on the rise and fall of hardware prices is desired is evidenced by their many subscribers. That the service has proved a boon to the jobber is shown in the vast new territory opened in less than a year where previously it was impossible to sell hardware and make money. By Charles G. Muller. *Printers' Ink*, October 9, 1924, p. 105:3¼.

The National Grocer Plan for Pushing the Most Profitable Lines

The National Grocer Company of Detroit found that its salesmen were not selling the lines which returned the most profit to the house. To overcome this they instituted a bonus plan and as a result

their profit statements have shown decided improvements and salesmen have earned from \$500 to \$2,500 yearly in bonus checks.

Commissions are paid on net profits on. By D. G. Baird. *Sales Management*, October, 1924, p. 1619:1½.

658.86 Salesmen: Selection, Training, Compensation

Developments in Scientific Methods for Selecting Salesmen

Tests seem to reveal little relation between the amount of intelligence a man has and his success as a salesman. That is, a salesman who lacks average intelligence can make up for that lack by hard work, by attention to suggestions of superiors, and by a pleasing personality. The president and best personal salesman of a large midwestern real estate company, ranked considerably below the average of his sales force in test score, but his personal sales each year are greater than the total sales of his five best men. Illustrated by charts showing the results of tests. By H. G. Kenagy. *Sales Management*, October, 1924, p. 1645:3.

Team Work on the Sales Force

How the most successful sales managers build up a team-play spirit in their organizations. The sales manager must accept responsibility for the failures as well as the successes in his organization. It is the policy of the Calumet Baking Powder Company to give every salesman who shows any sign of having executive ability an opportunity to try his hand at managing men. By K. K. Bell. *Sales Management*, October, 1924, p. 1575:2.

Should Field Work in Retail Merchandising Be Supervised?

A discussion of co-operation between retail stores and universities in the training of students who are looking toward retail merchandising. The task of supervision should be borne by the University as an educational authority and not thrust upon the business management. But the business should prepare itself to enter into some reasonable plan of joint procedure. By S. J. Gummere. *The Journal of Personnel Research*, October, 1924, p. 213:4½.

Sales Managers' Quotas

The whole subject of what a sales quota is or how it should be figured seems to be muddled for the reason that there are three different types of quota, namely: 1. The ultimate quota or sales potential. 2. The immediate quota or budget estimate. 3. The psychological quota or salesman's task. A sales quota of any kind must have simplicity and reality, and to be successful it must be understood not merely by the statistician who compiles it, but by the executive who applies it. By C. N. Stone. *The Annals of the American Academy of Political and Social Science*, September, 1924, p. 216:4.

Who Should Own the Sales Car?

Costly leaks in the operation and maintenance of our salesmen's automobiles compelled the Quaker Oats Company, about three years ago, to change the ownership of the cars from the company to the salesmen. Records showed that with fair care and treatment a car could be run for 7½ cents a mile. The salesman is required to show on a daily report what towns he has visited and these should conform to the route list planned in advance for the week. Each salesman pays \$100 on his car and the remainder in eighteen monthly installments. When it is paid for we give the salesman a bill of sale. He need not buy any one make of automobile and we do not put our name or advertisement on his car. Each salesman covers an average of eight hundred miles a month. By Donald Douglas. *System*, October, 1924, p. 468:1.

658.89 Salesmanship

Tight-Rope Salesmanship and Its Hazards

Phenomenal success in many fields is due almost entirely to personality, regard-

less of the methods employed. Men and firms are apt to seize upon sales methods used by an unusually endowed salesman and attempt to imitate them or standardize them. They forget that some salesmen succeed with prospects not because of their tactics, but in spite of them. The danger of jumping to conclusions and attempting to ride a sales department on the crested wave of some sudden fad has often proved disastrous. By Bertram R. Brooker. *Printers' Ink*, October 9, 1924, p. 3:3½.

Preparing for Prosperity

There will be no return to normal. The press, the magazines, the movies show the styles to rich and poor alike. That is,

there is no longer any possibility of class style buying or any class distinction. Formerly, manufacturers were enabled to take care of casual overstocks through the mail-order houses, by selling to the "provinces." This situation should therefore mean a more careful study of the market. A bad guess on the part of the manufacturer may possibly mean the loss of the profits for a season. Several of the general methods of procedure common to all businesses and safe to follow which show how to go after business are enumerated. If the sales planning is sane, intelligent and human, sales at a profit are inevitable. *Barron's*, September 22, 1924, p. 5:¾.

Survey of Books for Executives

Financial Organization and Management. By Charles W. Gerstenberg, Ph.B., J.D. Prentice-Hall, New York, 1924. 723 pages. \$5.00.

Financial executives frequently are alike in the functions they fill in name only, because their organizations, internal or intercorporate, or their external affiliations are such that many of the financial policies and details of their enterprises are established and handled by others. As a result many financial executives become absorbed in only a few of the phases of business finance to the practical exclusion of all other phases. They should therefore feel fortunate when some one makes it a point to compile a book such as Mr. Gerstenberg has just done so carefully and they should make a ready welcome for it on their desks, because in reality it is a handbook of business finance and may be likened to the familiar "Kent" of the mechanical engineer; or the "Kidder" of the architect.

The book contains a wealth of material gathered from the experience and resources of the author who is also professor and business man. The material is arranged

in thirty-five chapters dealing with distinct phases of business finance. A glance at the table of contents reveals the scope of the work and, to the reader, the location of the part of the text treating the particular phase of finance on which information may be desired at the time. Of particular value also is the fact that the material in the book has been carefully indexed and cross-indexed as to subjects.

But it should not be intimated that the book is limited in appeal to financial men. As a work of reference it should prove to be attractive to business men, investors, and those who have occasion at times to get special information on some topic of business finance; lawyers especially may find it stimulating and suggestive of practices of value to their clients. Further, examination of the book leads to the conclusion that the author is entitled to support in his conviction that "a course in the subject of business finance based on this book and vigorously pursued can be trusted as a modern substitute for some of the college mathematics, logic, and philosophy of a generation ago." Thus a student in or out of college may well find this work of interest and benefit.

The book will be found easy to read as it is breezily written, the typography is splendid, footnotes are profuse, and always to the point. In fact human touches such as the stories of Henry Ford, John H. Patterson, and Andrew Mellon found in the footnotes invariably illuminate and emphasize the text.

The text likewise is replete with charts, diagrams, graphs, reprints, tables, and examples; in fact nothing which might serve to illustrate or express the author's thought more clearly and enable the reader to visualize and grasp the meaning of the text seems to have been overlooked. A bibliography as such has been omitted but numerous references to other sources of information on the subject are made throughout usually by naming the pages of other works so that additional information on particular subjects may be obtained without wasting time hunting for it.

The author and publishers probably have noted that a typographical error appears on page 167 where data for "Interest on first mortgage \$200,000 Item D" is given instead of "Interest on third mortgage \$50,000 Item H" should be shown. The correction of this is obvious, however, and may be made mentally and readily without disturbance to the line of thought being developed at this point in the text.

The book probably will not be read through except by the student but it will be found decidedly helpful to those interested who will keep it within reach for ready reference, when questions such as financing with mortgage bonds, selling securities, management of working capital and of income, dividend policies, intercorporate relations, consolidations or what not come up for consideration.

H. A. FOUNTAIN, *Treasurer,*
The Ohio Public Service Co.

Collection Letters. By Robert M. Dulin, Ronald Press, New York, 1924. 95 pages. \$1.25.

The author has put these letters into a very handy little volume containing much common sense, much patience, much good

advice for credit and collection men. All the chapters are permeated with the necessity of getting the account paid and keeping it—both essentials to the man writing collection letters.

The classification of the letters, their gradually increasing insistence without losing their friendliness, and that spirit of wanting to keep the account are excellent. The discussion and samples of letters are divided into 15, 30, 45, 60 and 90 days past due account letters, and while the dividing line at times is finely drawn, as a whole, this clarification is at least as good as any other.

The letters are (I take it) not meant to be used as is. They are to convey the proper construction of a collection letter in its various stages, gradually getting stronger as the account becomes older. Reading this collection of letters will help one to recognize that patience, persistence and firmness can be used in letters without offending the customer and that in nine cases out of ten such letters will bring the desired result—settlement, or at least an explanation of the delay—not a closed account without a chance of further business.

The spirit in these letters keeps the customer's door open to your salesmen. The letters never forget that a part of their business is to sell the house. They show at all stages their willingness to serve the customer.

The one criticism I can find in these letters is the willingness of the writer to create an excuse for the customer. I am speaking of such phrases as "Possibly our previous letters have not reached you," "Maybe our previous letter has not come to your personal attention." The writer does not believe in these subterfuges, which he knows are not true, and obviously are insincere and apt to make the whole letter insincere and weaker. There is another danger the younger and less experienced reader of the book should have called to his attention. Don't take the book and its many splendid letters too seriously. Don't swallow them line, hook and sinker. Don't take them as your

Gospel. Don't pick out a number of letters which seem to you just perfect (there are many of them), then proceed to classify them as A-B-C-D and give your stenographer a copy of them, and hand her a statement of an account with instructions to write letter "C" to this account. Read the book—store its contents and use it from memory only.

What your collection letter needs, above all else, is individuality—the personal touch, plainly showing your interest in the other fellow's problems and troubles, and in addition, frankness and sincerity—downright plain language—direct heart to heart advice. That is what gets results (payments), keeps the customer and means success for the collection letter writer.

C. H. STEPHENS, *Secretary,*
Shur-On Optical Company.

Factory Management. By Henry Post Dutton. Macmillan, New York, 1924. 329 pages. \$2.75.

The harassed Production Manager of the present day will find a real treat in "Factory Management," by Henry Post Dutton. It has been his task to attempt to keep pace with the large output of ideas and systems presented as a result of the flurries and frantic efforts of efficiency men during and immediately following the war to overcome the inherent antipathy of workmen to produce. He has not dared to refrain from carefully digesting these presentments for fear that some really worth while ideas might escape him. And so, it is with delight that he discovers the wealth of treasure contained between the covers of Mr. Dutton's book.

The author presents a most complete outline covering the production field. He starts with fundamental definitions and carries the various functions and divisions of production through to their ultimate conclusion in a most logical manner. He is extremely thorough, and where necessary goes into great detail in citing examples and illustrations.

A factory manager always delights to discover kindred spirits and to read "shop

talk." It is a strong point in this author's favor that he has presented his ideas in the vernacular of the manufacturing business and this in itself attracts and holds the interest of the reader.

The reviewer noted with particular satisfaction that the illustrations used and the systems presented covered a wide field of business endeavor. The author has drawn not only from his own manufacturing experience, but has gone into a great many other fields for examples of business operation and control, which results in an immediate bond of sympathy between his reader and himself. These examples have an educational value in themselves, broadening the knowledge and business field of the reader.

The author has incorporated an interesting feature at the conclusion of his book consisting of a series of nineteen problems covering various aspects of business activity. I have found these problems very interesting and instructive, and believe they will prove of equal value to the reader.

On the whole the book fills a very important niche in the Management field, and undoubtedly will receive a proper recognition from production men when it is better known.

M. E. DANFORD, *Works Manager,*
The American Rolling Mill Co.

Handling Callers in the Business Office.

By Helen Hysell. The Purchasing Agent Co., New York. 106 pages. \$1.50.

Incidents described in this little book ring true enough to give pause to the office manager, as to whether his reception room is one whose poor management turns business away. The importance of the location and fittings of the room are emphasized. Ideal qualities of the reception clerk and possible combinations of work done by her are given considerable attention. The author also mentions various methods of introducing the business caller and discusses keeping written records pro and con.

E. M. K.

Economics of Fatigue and Unrest. By P. S. Florence, Henry Holt & Co., New York, 1924. 426 pages. \$5.00.

"Economics of Fatigue and Unrest" embodies the first scientific attempt to set forth in one place all of the costs in industry which are due to various types of labor loss. In the light of present interest in objective and quantitative methods of measuring and controlling human energies, this book should supply a most timely tool. Six forms of unproductive costs are noted, and supporting evidence regarding them offered. They are labor turnover; absenteeism and loss of time by strikes; the restriction of output; deficiencies in quality and economy of output; frequency and severity of accidents; frequency and severity of ill-health.

Mr. Florence's fact statement on these six types of costs is not only illuminating as to the extent of human losses, but it is suggestive as to practical methods of measurement in the future. In his final chapter on the recording of labor loss the personnel executive will find a convenient summary of methods, some of which he will undoubtedly be already employing.

The book is a scholarly and useful addition to personnel literature.

ORDWAY TEAD.

Practical Experience in Modern Business Correspondence. By HIRAM N. RASELY, in co-operation with the Bureau of Commercial and Industrial Affairs. Boston Chamber of Commerce, 1924, pp. 96.

The matter that first attracted my favorable attention and aroused my interest was the source of this publication. I have felt from the very beginning of my responsibility in this phase of my business duties that improvement in correspondence and other business writings was progressing at a slow rate, simply because high officials, the only members of business organizations having the real influence and power to stimulate and solve this problem of inefficiency, were quite generally indifferent or lukewarm respecting this far-reaching

business-building and business-saving measure. It is, therefore, most gratifying and encouraging to find the Bureau of Commercial and Industrial Affairs of the Boston Chamber of Commerce, through a committee of such men as Henry P. Kendall, Andrew Y. Atwell, F. Lauriston Bullard, Durward E. Burchell, Victor B. Burleigh, F. Alexander Chandler, Lockett G. Coleman, Victor M. Cutter, Harry B. Gilmore, Edwin C. Johnson, Granville Johnson, Robert A. Leeson, working in connection with Hiram N. Rasely, lending its tremendous influence to intensifying the movement for the improvement of a neglected but universal phase of business of such vital importance.

The publication is a paper-covered book 9 inches by 6 inches, containing 96 pages of about 30,000 words. It is interesting and stimulating from cover to cover. Although many publications on the subject of business correspondence have been offered to the business public with a persistence often annoying, and although many of such publications are of very high worth, yet this book is peculiarly distinguished for its elements of common sense, conciseness, interest, and general distinctiveness.

My favorable attention was next attracted by the first two paragraphs in the "Foreword," reading as follows:

"More than 12,000,000,000 letters go through the United States' mail yearly. In the Boston Postal District alone 2,000,000 letters slip into the mail boxes each working day. It is estimated that the average business letter in this enormous stream costs the sender at least 42 cents. While no one knows what proportion of the volume of first-class correspondence business letters form, it is certain that their total cost runs to millions each year. They form an important part of the overhead expense of every business undertaking. Any effective effort, therefore, to reduce the cost of letters and to render them more effective is a substantial service to the business community.

"Executives give comparatively little consideration to the qualifications for correspondents. There are plenty of 'Don'ts,'

and various more or less cramping forms are frequently prescribed. But there is seldom a rational plan for producing effective letters, though they are among the most important means of business contacts. Because an employee measures up to the usual standards of business qualifications it is frequently assumed that he can write good letters. But this is often an erroneous and expensive assumption. Good management demands that serious and systematic attention be given to improving business correspondence."

Many a young man who has passed through a college, but through whom the college has not passed, is, because of unwise sympathy, assigned to correspondence work when he is totally unfitted for other duties. Is it either wise or charitable to thus increase the great and appalling number of misfits in business? Expression, above all things, requires the power to logically think. It requires judgment, tact and good taste. The curve of correspondence efficiency will never rise to the plane of business-getting and business-retaining power, until the proper men and stenographers are assigned to the work with due and substantial recognition of their creative power.

Such subjects are dealt with as: "Making the Letter Effective," "Words and Wordiness," "How to Dictate," "Writing Letters That Sell," "Keeping the Customer's Good Will," "Importance of Appearance," and "Correspondence Supervision."

If this and similar publications from sources of such high importance can be projected before the business officials, the consciousness of the importance of correct business writings will be vitalized and sloppiness in the art of business expression will, in a decade or so, be very unusual, rather than the rule, as it is today. Officials must recognize the need and realize the responsibility of demanding higher proficiency in this great work of business building. It may be all right to avoid the tendency toward paternalism by not establishing schools for this purpose, or in any way sharing the expense with the employee for

such education. It may also be justifiable not to coerce employees in the matter of self-development. If you will, let the employee have his own way in such matters and give him all the freedom that he demands, concerning the employment of his time during after-business hours, but this the employer can do with impunity and effectiveness; he, himself, can study the problem to ascertain its worth; he can study methods of correcting personal inefficiency; he can more clearly differentiate the qualities of proficiency among his present correspondents and stenographers and give a remuneration accordingly, and he can demand of such employee the spirit of progress and can refuse, so far as the supply of competent help can be secured, to let any correspondent or stenographer remain on his payroll who has not this spirit of progressive and unending self-improvement.

The publication we are reviewing has left to the schools the question of grammar and language construction, and to authors of more pretentious publications the duty of comprehensive and thorough treatment. The committee evidently believes that the chief causes of personal inefficiency are those of carelessness of correspondents and stenographers—not their general ignorance or incapacity for much higher quality of work.

T. H. BAILEY WHIPPLE,
Department of Publicity,

Westinghouse Electric and Mfg. Co.

Industrial Health. By Kober and Hayhurst, P. Blakiston's Son & Co., Philadelphia, 1924. 1,184 pages. \$15.00.

The authors have presented, in a most comprehensive and exhaustive manner, the subject of "Industrial Health and Hygiene." Illustrations and copious references add much to the value of the book.

Various divisions deal with the general principles and accepted practices of Industrial Health Service, the Vocational Hygiene of the more important industries, occupational diseases with particular reference to the industries in which they most commonly occur, the consideration of systemic occupational diseases more es-

pecially from a medical viewpoint, and a general study of the administrative features of health supervision, with particular reference to legislative, statistical, compensative and other general features underlying the entire subject.

The book is a valuable contribution to the subject of Industrial Health. It should receive careful consideration and serve as a reference to industrial physicians, personnel managers and executives in charge of any work having to do with the well-being of workers in Industry.

DR. R. S. QUINBY, *Service Manager,*
Hood Rubber Co.

Labor Attitudes and Problems. By Willard E. Atkins and Harold D. Lasswell, Prentice-Hall, Inc., New York, 1924. 512 pages. \$5.00.

One of the penalties of increasing years is that a reviewer forgets his code of relativity and tends toward absolute standards of judgment. He hates to damn with the faint praise which would come from trying deliberately to think himself back into the easy standards of his sophomore days. Hence an author runs a terrible risk of falling into absolutist reviewers' hands when he addresses a book like this "primarily to students of the junior college" but allows it to be circulated among case-hardened upperclassmen or tough, old business men.

This book is frankly elementary, but at the same time it shows considerable sociological grasp. It is so extensive in its reach of subject matter as to run perilously thin in spots. Its twenty-seven chapters range from coal miners to steel, agriculture, women, accidents, unemployment, budgets, income distribution, unionism, socialism, employer's associations, public control over industry, insurance, and social progress. Its spirit is good, humanistic rather than dogmatic or pessimistic. Indeed, the authors set out avowedly to emphasize the normal rather than the pathological aspects of modern industrial relations. They have done a good job in gathering a lot of real facts, significant facts, typical facts, illustrated by clean

cut charts, diagrams and photographs. Their questions at each chapter end are thought and discussion-provoking and should subserve classroom purposes. For the mature student they help take away the spoon-food taste of the text.

What provokes the absolutist reviewer is that the authors should have been in such a hurry to go to press when a little more work would have improved their book. Why, for example, did they not utilize the Coal Commissions' reports and findings in Chapter II? Facts on the new eight-hour day policy of the steel industry are ignored, although now a year old. The chapter on casual labor is convincing but the agricultural laborer gets scanty treatment and the rural child laborer no consideration at all. The chapter on women workers is anecdotal and inadequate; the citation and study of Alice Henry's book would have helped. The chapter on the clothing industry is more detailed and gives a fair picture; but Leiserson's important article on industrial government is omitted from the bibliography (p. 168); and the unemployment fund created by the Chicago clothing market a year and a half ago is overlooked. There seems to be no good reason why union membership figures should stop with 1919 in a book published in 1924. Tastes may differ, but for the class of students and general readers to whom this book is addressed there is no better brief treatise than Professor Cross' *Essentials of Socialism*: it should be added to the bibliography. Finally, not to be ungracious or prolong this list of suggestions, the authors would do well to expand somewhat their discussion of the dictum (p. 203) that "the son of the worker tends to be a worker himself and to remain at the same general social level as that of his parent." It is just such flyers into sociological theory that need the unimpassioned support of statistics; otherwise they give the impression of social sermons rather than social science and defeat the altogether admirable purpose of the authors to stir the student's mind with fact instead of exhortation.

ARTHUR J. TODD, *Labor Manager,*
B. Kuppenheimer & Co.